

**VIET NAM: CENTRAL HIGHLANDS POVERTY REDUCTION PROJECT (GNTN)**

**IMPLEMENTATION SUPPORT MISSION: JANUARY, 12 – 23, 2015**

**PROJECT P128072, CREDIT No. 5330-VN**

***DRAFT AIDE MÉMOIRE***

Original IDA Amount:	<b>USD 150,000,000</b> (SDR 97.6 mil)
Board Approval Date:	December 27, 2013
Effectiveness Date:	July 22, 2014
Closing Date:	December 31, 2019
Disbursements to Date (1/19/15):	USD 1,192,350

**A. INTRODUCTION**

1. The third implementation support mission (ISM) for the Central Highlands Poverty Reduction Project (GNTN) was carried out from January 12-23, 2015.<sup>1</sup> The objective of the mission was to take stock of the Government's progress to initiate implementation under the project, to identify specific challenges or bottlenecks to prompt implementation, and to agree on concrete actions to resolve these issues identified. Specifically, the team reviewed and assessed the: (i) updates of the 2015 implementation and procurement plans; (ii) status of staffing and establishment of relevant working groups at provincial, district and commune levels; (iii) extent of communication and training activities and understanding among district and commune level personnel and stakeholders; and (iv) implementation of other key activities agreed to between the CPO and the World Bank at the time of the last implementation support mission (October 2014). The mission also participated in a review of the status of the GNTN baseline survey.<sup>2</sup>

2. The mission wishes to thank Vice Minister Thu, Director Hung, Deputy Director Trung, and the staff of the Central Project Coordination Office (CPO) for their support in the organization and conduct of the mission. The mission visited Quang Nam and Quang Ngai provinces (districts of Nam Tra My and Son Ha, and communes of Tra Don, Tra Nam, and Son Cao) and wishes to thank the representatives of the Provincial Project Management Units (PPMUs), District Project Management Units (DPMUs), Commune Development Boards (CDBs) and Community Facilitators (CFs) met with in these locales. The mission also participated in a 1-day workshop in Quang Ngai with representatives of three Provincial Peoples' Committees, the six project PPMUs, and 24 DPMUs; and met with development partners from the International Fund for Agriculture Development and the Irish Embassy/Irish Aid.

3. This aide memoire reflects the mission's findings and agreed actions which were discussed with the Director and Deputy Director of the Department of Local and Regional Economy, and the staff of the CPO, on January 23, 2015, at MPI. This draft aide memoire is subject to final clearance by World Bank management.

---

<sup>1</sup> The mission was co-led by Sean Bradley (Lead Social Development Specialist/co-TTL) and Son Thanh Vo (Sr. Rural Development Specialist/co-TTL), and included Cung Van Pham (Sr. Financial Management Specialist), Hoai Van Nguyen (Procurement Specialist), Nghi Quy Nguyen (Social Development Specialist), Huong Lan Dao (Health Systems Specialist), Khang Van Pham (Environmental Specialist), and Phuong Thu Nguyen (Team Assistant).

<sup>2</sup> Andrew Beath, Economist EAPCE, led the assessment and support of the base-line survey activities.

**B. MISSION FINDINGS AND RECOMMENDATIONS**

**Project Implementation Issues**

4. Progress since last mission. Overall, the project has gained some momentum in getting up and running since the previous interim implementation support mission of October 2014. PMUs are established and equipped in most districts and provinces, CFs are in the field and actively in contact with commune authorities and villagers, training has been done for provincial, district, and commune teams in general project management, financial management, procurement, and Community Facilitator, and IDA and counterpart funding has been released to provinces. Nonetheless, and after more than one year since project approval, the state of project implementation remains far behind what was projected at the time of appraisal and committed to at the Launch Workshop in June 2014. The status of previously agreed upon actions from the interim ISM are shown in the table immediately below. Notably, the recruitment of key staff in provinces and districts is still delayed due to continued challenges regarding staffing qualifications. This directly affects the speed with which other activities may proceed. The remainder of this section presents a more detailed assessment of project progress to date and the mission’s key recommendations and agreed actions to be taken.

Table 1: Status of Previously Agreed Actions (from ISM Oct 2014)

No.	Previously Agreed Actions	By when	By whom	Results
1	Activation of all project accounts at central, provincial and district levels	October 24, 2014	CPO, PPMUs, DPMUs	Completed
2	Submission of financial, procurement and implementation plans for 2014 to WB’s review	October 25, 2014	CPO, PPMUs, DPMUs	Completed
3	Provision of NOL to financial, procurement and implementation plans for 2014	October 30, 2014	WB	Completed
4	Completion of staff recruitment at all levels	November 30, 2014	CPO, PPMUs, DPMUs	Incomplete (mainly at provincial and district levels)
5	Training of accounting software to DPMUs and CDBs	November 30, 2014	CPO, PPMUs, DPMUs, CDBs	Completed
6	Submission of updated procurement, financial and implementation plans for 2015	December 25, 2014	CPO, PPMUs	PPMUs submitted their draft plans. CPO is finalizing its plan
7	Communications campaign initiated in all project areas (down to household level)	December 30, 2014	CPO, PPMUs, DPMUs, CDBs	On-going
8	All project staff receive at least one project training event (orientation and overview of project strategies and structures)	March 15, 2015	CPO, PPMUs, DPMUs, CDBs	On-going
9	Advertisements for TA and vehicles packages	November 30, 2014	CPO	Not yet started

5. 2015 Implementation Plans. The mission was pleased to receive the updated implementation, procurement and financing plans from all provinces and the CPO, as was previously agreed upon. These plans roll-over the earlier 18-month plans agreed to at the time of project appraisal, and now cover CY 2015. The mission provided broad comments and discussed these plans at the provincial workshop held in Quang Ngai. The main observations were:

- a. Indicated time-lines for implementing many sub-project in the period from February to June 2015, are unrealistic given delays in staffing, finalization of standard designs, required training, and the processes of procuring civil works. Districts should revise their plans accordingly.
- b. Uniformity of costs for various sub-projects (at VND 300 million for commune investments and VND 1 billion for district investments) suggests that the ceiling levels recommended during preparation are artificially capping reasonable estimates of actual costs. Therefore, the mission recommended that districts and communes review the sub-project costing estimates and include actual costs based on the specific design specifications and plans being prepared by the CPO. Where sub-projects may have been sub-divided to fit the financing ceilings, it is recommended that the complete sub-project value be considered for financing.
- c. In some instances (in Dak Nong provinces), multiple livelihood enhancement group sub-projects (under component 2) are being proposed, which the mission feels is unrealistic given limited experience and knowledge of the proposed approach among districts, communes, and beneficiaries. Therefore, the mission recommends that LEG activities are started slowly and on a smaller scale in areas of livelihood with proven potential or success in order to test procedures and build up implementation skills.
- d. Commune-level sub-projects, where community procurement procedures will be applied under component 1 (village and commune infrastructure development) and component 2 (sustainable livelihoods development) activities should not be shown in the procurement plan submitted to the central level or the WB;
- e. In addition, these commune-level investments that will use community procurement method will require that CFs and CDBs are adequately trained in relevant procurement procedures. As such, the proposed timing of implementation should reflect the need for this training to first be carried out, and CPO should prioritize this training in the coming months (see paragraph 15 on training below).
- f. Financing plans need not provide the level of detail shared with the Bank—sub-project costs may be aggregated by commune and district (so it is clear what level of funding is going to which target areas), and total costs by broad project management cost category is adequate—not individually purchased items.

More detailed comments on the 2015 plans are found in Annex 1 of this aide memoire. One overall area of concern noted by the mission is that the delay in finalizing the standard designs for a sample of sub-projects, and the specific designs and bid documents (bills of quantity) for the identified sub-projects in each of the six provinces will likely result in delays in finalizing many if not all of the sub-projects planned for during the current calendar year given rains.

6. Procurement. Overall, the mission found the project's procurement performance to be moderately satisfactory, with some key project procurements progressing reasonably well and no significant procedural issues: contracts for goods and equipment for provincial and district offices, and communes have been completed; all Commune Facilitators have been hired; finalization of sample and detailed sub-project designs; and the selection of PPMU and DPMU consultants is being finalized. Nonetheless, these

tasks are behind schedule and the delays may negatively affect the implementation of planned for sub-project investments in 2015. Annex 2 includes more detailed observations on the project procurement activities and plans. The key procurement issues are as follows:

- a. In terms of staffing, numbers vary but none of the PPMUs or DPMUs are fully staffed as agreed to, and it appears that no provincial or district authorities assigned relevant staff to fill in temporarily PMU vacancies as recommended in the previous ISM. Provinces noted continued challenges finding qualified staff and the mission agreed that the required ODA experience for district staff could be adjusted to an advantage for applicants, and not a requirement as currently indicated in the TORs.
- b. CPO has contracted for the development of specific and general sub-project design specifications (plans, bills of quantity, etc.) that the districts and communes will use to contract for the specific sub-project investments for 2015. However, the timing of the delivery of this design documentation (CPO commits to having finalized before Tet) allows very little time for districts and communes to sign contracts for civil works so construction can begin prior to the rains in July. To accelerate the process, the Bank mission recommended that the district and commune authorities immediately: (i) carry out a rapid market survey to identify eligible and reputable companies capable of executing these civil works, and (ii) seek to identify at least 5 such companies so that they will have at least 3 responses to evaluate. CPO should provide assistance, through the PPMUs, to the districts to ensure that this process is done in accordance with Bank procedures.
- c. The CPO has yet to start procurement for TA and the vehicles crucial to support and facilitate the project implementation. These packages have been highlighted in previous mission aide memoires and the task team has provided support to help expedite these activities (sample TORs and specific reference to the vehicles in the financing agreement) but it appears that they have not been prioritized by CPO. CPO agreed to issue the national competitive bidding documents for procurement of the CF motorcycles for estimated delivery by April. CPO also committed to the recruitment of 4-5 individual technical advisors for livelihoods/market linkages (international/national), capacity building (national), communications (national), engineering (national), and financial management (national) as a priority, and agreed that the TA team would be located in Pleiku to facilitate more direct support to PPMUs and DPMUs.

<b>Agreed Actions – Procurement</b>	<b>Responsibility</b>	<b>By When</b>
1. Finalize standard designs and detailed designs of 2015 civil works packages	CPO Consultants	Feb 10, 2015
2. Update PPTAF procurement plan	CPO Proc. Off	Feb 10, 2015
3. Identify at least 5 eligible contractors in districts that would be interested in responding to the works pkges	DPMUs & CDBs	Feb 15, 2015
4. Finalize recruitment of individual PPMU/DPMU consultants	PPMU/DPMU directors	Feb 15, 2015
5. Finalize CF motorcycle bid package for review and advertising	CPO; Procurement officer	Mar 15, 2015
6. Finalize TORs and identify potential candidates for TA positions (livelihoods, engineer, capacity building, communications, FM)	CPO; Dep. Director (WB no-objection)	Mar 31, 2015
7. Update 2015 procurement plans and re-submit to CPO and WB for review and clearance	PPMUs, DPMUs	Mar 1, 2015

7. Community Facilitator. The Bank team met with several CFs in the course of the mission, who appeared to be reasonably articulate and knowledgeable of the project even at this early stage, reflecting well on the training already received. Provincial and districts authorities noted the loss (resignation) of some CFs, estimated at around 10 percent of the total hired, due to challenging working conditions and relatively low salaries. Agreement was reached with the CPO as how best to re-fill these vacancies... Districts and CFs reported having started to gather socio-economic data on communes so they could acquaint themselves better with their working environments. CFs also reported having initiated preliminary communications and sensitization activities regarding the project, and they appear to be undertaking multiple sub-commune (hamlet) level meetings to reach a maximum of households. The lack of designated motorcycles was consistently cited as a constraint to their effective working, and the CPO committed to completing this procurement and distributing the motorcycles by April. The mission also noted that the transfer of CFs from the CPO to district management (at the end of January) was not clearly understood by some district authorities. The mission recommended that the CPO provide clear guidance and ensure that this transfer of contracts does not suffer any breakdown as this could lead to further CF attrition. At this time, CFs' contract extension with CPO will continue until the end of Feb/2015. Then the districts will sign a contract directly with CFs, those do not well perform will be replaced, these positions will be added as soon as the districts sign the contracts. Salary and additional payment of CF will be paid according to the regulations under the Circular number 219/2009/TT-BTC dated 19/11/2009 after their transfer to PPMU for its management.

8. Financial management. The mission took note of a number of accounting and financial management challenges or short-comings that the project is facing, regarding oversight, accounting software use, internal controls, and internal audit. At central level the mission feels that the Chief Accountant of MPI is currently dedicating insufficient time and oversight to the project, allowing project consultants to take on full responsibility for key FM tasks. The mission recommends that the Chief Accountant increase her level of effort dedicated to overseeing the project's finances and FM, and that one of the existing FM consultants be appointed FM coordinator. The mission found irregular use of the project's FM accounting system: financial transactions under PPTAF not entered in the system since October, and the software not having been installed in some provincial and district PMU offices. The mission recommends that the accounting software is installed in all relevant computers by January 31, 2015, and that all accounts be brought up to date by February 15, 2015. The mission also took note of the following internal control, and accounting, weaknesses: (i) no asset registry at central level, (ii) petty cash not held at CPO office, (iii) apparent failure to confirm quality of procured goods (computers) in Quang Ngai, and (iv) failure to reconcile bank statements at central level. The mission recommends that these problems are rectified by February 15, 2015. In relation to these internal control problems, the mission also found limited indications that the contracted internal auditor was performing satisfactorily or that Project management or MPI were closely monitoring the auditor's work. Finally, the mission noted that previously reported problems with the Treasury and Budget Management Information System appear to have been resolved. More detailed comments on the Project's FM arrangements and issues are found in Annex 3.

<b>Agreed Actions – FM</b>	<b>Responsibility</b>	<b>By When</b>
1. Hire additional FM staff and appoint CPO FM Coordinator	GNTN Proj. Director	Mar 15, 2015
2. Install project accounting software in all relevant computers and actualize financial transactions in CPO and all PPMUs	CPO FM Coord.	Jan 31, 2015; Feb 15, 2015
3. Correct internal control weaknesses (asset registry, asset control, reconciliations, petty cash box)	GNTN Proj. Director	Feb 15, 2015

4. Review and take action on internal auditor report	CPO FM Coord, Procurement Officer, Dep. Direc. & Director	Immediately and each quarter subsequently
--	--	--

9. Disbursements. The mission was pleased to note that previous delays and issues regarding disbursements to the provincial designated accounts (DAs) had been resolved and that the first transfer of funds to the seven project DAs had taken place. As of January 19, 2015, disbursements stood at \$1.2 million, or less than 1 percent of the total IDA financing. The mission took note of this, which is far below the level of authorized allocation for the DAs, and stressed the importance of timely replenishment requests so as not to encounter cash-flow problems. For this purpose, the mission recommended that the next provincial withdrawal applications cover estimated costs for the first 2 quarters of 2015, as per the final and approved plans. Lastly, the mission was pleased to note no apparent difficulties with counterpart financing.

10. Social and Environmental Safeguards. As work on sub-projects had not yet begun, the mission found no major issues regarding environmental safeguards at this time. The environmental safeguard specialist noted that there were no proposed sub-projects that would require a community forest management plans, but noted that agricultural productivity sub-projects (irrigation or crop production) would require appropriate sensitization and training of beneficiaries in integrated pest management. In terms of social safeguards, an initial assessment of the planned 2015 sub-projects found that, with the exception of a few sub-projects in Gia Lai and Dak Lak provinces, no land acquisition or other requirements for compensation per the project’s resettlement policy framework (RPF) would be required. Nonetheless, the mission encountered incorrect understanding of and information on the RPF regarding compensation. These misunderstandings were corrected in the field and at the time of the workshop in Quang Ngai with all provincial and district representatives. Most importantly, the following was clarified: (i) compensation could be paid (from counterpart funds) for land in the unlikely event that sub-projects required such, (ii) voluntary land donation can only be done in accordance with strict guidelines regarding disclosure, scope, and consent that must be clearly documented, and monitored by CPO and the Bank, and (iii) assets other than land—such as temporary structures, tree crops, gardens, etc.—would also be eligible for compensation if affected by sub-project activities. The mission agreed with CPO that once detailed designs for the specific 2015 sub-projects were complete, provincial authorities would review the sites with district authorities to confirm if the requirements under the RPF had been triggered, and would prepare resettlement plans (as agreed to in the RPF) in the event compensation was required. Additional social and environmental safeguard observations and recommendations are shown in Annex 4.

<b>Agreed Actions – Safeguards</b>	<b>Responsibility</b>	<b>By When</b>
1. Carry out training of PPMU and DPMU staff on resettle-ment/compensation and other safeguard concerns within the bidding package of Consulting Services on social, ethnic and resettlement issues. Expected to have 01 focus training course for those officials	CPO w/ WB s/guard staff	Mar 15, 2015
2. Review specific sub-project sites and prepare resettle-ment plans if compensation is required (per RPF)	PPMUs/DPMUs	Mar 31, 2015
3. Review and provide no objection to resettlement plans	WB	Apr 15, 2015

11. Implementation plans for 2016. The mission discussed and recommended to CPO that the project begin preparing for the 2016 planning, taking into account the time it will take for the participatory

planning process that underlies the approach for identifying commune investments to be properly implemented. The mission specifically shared with CPO, PPMUs, and DPMUs at the Quang Ngai workshop the following actions and principles that would guide the project planning process:

- a. CPO should officially request PPMUs and DPMUs to formally inform project communes of their estimated fund allocations for the next 5 years of the project to facilitate the planning process. It is important that the information is made available to communes before June 2015 when planning for 2016 should begin;
- b. Training for participatory and integrated planning as guided by the PIM should be completed by the end of June 2015;
- c. Village meetings, consultations, prioritization, and consolidation of commune plans should be done thoroughly and in accordance with regulations in the Project Implementation Manual (PIM);
- d. Each level should organize a planning meeting by convening all relevant stakeholders to review its own draft plan to ensure quality and avoid overlapping;
- e. All information of the proposed and approved plans (lists, cost estimates) must be publicly disclosed;
- f. Draft plans for 2016 by CPO and PPMUs should be sent to WB for review by November 2015; and
- g. All plans must comply fully with WB environmental, social, and fiduciary safeguard policies and procedures as agreed to and reflected in the PIM and project legal document.

12. Nutrition and food security. Given concerns regarding malnutrition among EM populations, particularly in the Central Highlands region, the GNTN will support nutrition and food security activities through the livelihoods development component (component 2) of the project. To date, progress under component 2 (including nutrition and food security) has been slow as the CPO and PPMUs have focused on setting up project management structures and preparing for component 1 (commune-level infrastructure development) implementation. However, a basic training curriculum and support materials have been prepared for CFs with the support of Bank consultants, and an initial pilot training of PPMU's staff and CFs (01 PPMU' staff and 02 CFs per project province) planned for the end of January. Follow-up training for the remaining 110 CFs will be carried out in March after Tet. Duration of the course will be of 1.5 days, apart from the trainees of CF and livelihood officials, the medical staff at provincial reproductive health care center, preventive health center and district health officials will be invited to attend. This will promote information exchange between project staff and the medical staffs specializing in nutrition, which will support better work coordination in the future. In addition, it was agreed that the project would support organizing a training-of-trainers at provincial level (5 trainers per provinces) for the project staffs, that will involve Department of Health staff from the provincial Center for Reproductive Health, Preventative Care Center, and Center for Communication, and district health office or center. This training would build on the existing materials and previous capacity building carried out under the Alive and Thrive project of the Ministry of Health. These materials have been transferred to the National Institute of Nutrition and can be used for this purpose. It was agreed that the Bank's nutrition consultants would compile the training materials and prepare a training plan for this training to take place beginning in March/2015. These trainers would, in turn, be responsible for supporting the CFs in their efforts with the food and nutrition LEGs. The mission also recommended that the CPO agree with their communications consultant to review and adopt the most relevant of the IEC materials for use under the project. Due to the communication activities' fund of the project is limited, so the materials of Institute of Nutrition will be re-issued. These materials have been used in the project area in the previous nutrition projects, which should assure its applicability. The Bank's nutrition consultants and health task team

member would provide technical guidance for this purpose to the CPO and communications consultants. Lastly, while no specific nutrition-related sub-projects were identified for 2015, the mission expects that some of the productive activities linked to home consumption (small livestock raising, gardening, etc.) could serve as the basis for component 2.1 implementation. See Annex 5 for further information on nutrition support under the project.

13. Water and Sanitation. Given links between nutrition, and water, sanitation, and hygiene (WASH) activities, the project would also seek to integrate WASH into existing interventions, in close collaboration with on-going Bank support to the WASH sector in Vietnam and the World Bank's Water and Sanitation Program (WSP). This strategy would apply a two-pronged approach. First, as standard practice, training and information on WASH activities will be integrated with the nutrition and food security communications and training provided to communes and LEGs under component 2.1 of the project. The Bank's WSP team will provide technical input in reviewing nutrition training materials and messages to ensure that these include the most relevant and up-to-date information and guidance on WASH. Second, it has been agreed with CPO that a pilot effort will be carried out in 2 districts to provide information and explicitly promote WASH activities at village/commune level leveraging successful participatory methodologies like Community led Total Sanitation (CLTS), to encourage relevant commune-level investments under component 1 of the project. The second approach would be facilitated through specific commune level WASH diagnosis and technical training of and support to CFs, CDBs, and district teams. WSP will provide technical assistance to the project by supporting development of relevant information, education and communication (IEC) and behavior change communication (BCC) and other training materials; organizing training of trainers; exposure visits to best practices and providing technical oversight, to this intervention. It was agreed that the detailed design of the pilot effort (including technical assistance needs) will be facilitated by WSP in consultation with Bank's GNTN health task team member before the end of the Bank's current fiscal year (June 2015). See Annex 5.

<b>Agreed Actions – Food, Nutrition &amp; WASH</b>	<b>Responsibility</b>	<b>By When</b>
1. Initiate food and nutrition training of CFs	WB nutrition consults.	Jan 31, 2015
2. Adjust training and deliver to remaining CFs	WB nutri'n consults, CPO training team	Mar 31, 2015
3. Design TOT for provincial & district health teams. After discussing with the Nutrition training team, CPO will start carrying out the training course after Mar 14, 2015. Meanwhile, Livelihood training course will be happening, thus the detail plan will be further discussed	WB nutrition consults.	Mar 31, 2015
4. Adapt key nutrition communication materials for use in training and sensitization	CPO coms. Consultant	Mar 31, 2015
5. Review nutrition training materials for appropriate WASH messaging	WB WASH team	Feb 15, 2015
6. Prepare implementation plan for pilot scheme to share with GNTN task team and CPO for final agreement	WB WASH team	Apr 30, 2015

14. Communications. CPO shared with the mission their 2015 plans and discussed on-going communications work that are aimed at sensitizing various stakeholders on the project purpose, strategies, coverage, etc. The mission met with the consultants working on short audio and video spots that would be produced in the coming 1-2 months, and would provide comments to the CPO on the two presented scripts. The mission also learned that provinces and districts had conducted local level project launch activities to notify authorities and general public of the project following the formal launch of the project

in June 2014. Districts and CFs also reported engaging communes in initial meetings to sensitize the public about the project and to begin preparing them for the coming activities. CFs report from between 40 and 60 percent participation of households in these initial meetings, often with more women than men. CFs also reported some challenges in bringing together a majority of commune households given the dispersed nature of the commune settlements (hamlets). In response, CFs have organized multiple smaller meetings and have successfully combined sensitization activities with other on-going commune activities such as “solidarity day”, etc. It was also recommended that the mass organizations (farmers union, women union, youth front) could help to extend outreach. In two communes visited it was also recommended that loud-speaker systems should be procured under the project to assist in outreach, which the mission endorses. Finally, CFs report primary use of Vietnamese in communicating in communes and villages. Despite indications that most of the ethnic minorities in the areas visited understand the national language, the mission strongly recommends that interpretation into local languages be standard practice for all meetings in villages and communes. See annex 6.2 for further discussion of communication issues.

15. Project staff training. The mission was pleased to learn that two basic staff training courses, covering project management, financial management and procurement, had been undertaken for all PPMU, DPMU, CDB staff (approximately 600 participants). CPO plans to follow-up this basic training will more detailed training on M&E, livelihoods, planning and communications, nutrition, O&M and specifically for CFs. The 2015 training plan shared by CPO is presented in Annex 6. In training of FM and Procurement, Community procurement has been integrated in teaching supporting project staff effectively implementing Component 1, with the work done by commune investment owners. After this training, community procurement will be repeated in subsequent courses. During Mar-April/2015, the course of participation planning will be implemented to prepare for the plan 2016 in July. The mission recommended that priority be given for CDB and CFs training in community procurement to allow for component 1 work where commune is investment owner to advance. In addition, the mission noted that CPO needs to prioritize development of the participatory planning guidelines and rolling out training for the same in time for the 2016 planning to begin in July. Also in relation, the mission reminded CPO that existing participatory planning guidelines from both the P-135 program and the IFAD livelihood programs in central highlands should serve as a model for the GNTN process. Likewise, existing or previous staff from these programs should be recruited to serve as trainers for the roll-out under GNTN. Project teams and provincial authorities recommended opportunities for cross-learning among different levels of project implementation (from members of CDBs to PPMUs) with similar programs in the country, and in particular with the Northern Mountains Poverty Reduction Project (NMPRP). It is expected within Mar-April/2015 will organize the visit for CFs at the provinces under the project of NMPRP-II, this will be an opportunity for the project staff to share experiences with the NMPRP staffs on the model and successful project implementing process. The mission strongly supports this concept and would be happy to discuss with fellow Bank teams to help organize relevant exchanges—priority could be given to observing the upcoming commune planning process.

<b>Agreed Actions – Communications and Training</b>	<b>Responsibility</b>	<b>By When</b>
1. Review and provide feedback on audio and video scripts	WB	Jan 31, 2015
2. Share first draft audio and video productions with WB to confirm key information and provide feedback	CPO	Mar 15, 2015
3. Share with World Bank evaluation reports of recent training activities	CPO	Feb 10, 2015
4. In training of FM and Procurement, Community procurement has been integrated in teaching supporting project staff effectively implementing Component 1, with the work done by commune	CPO Training team	Done

investment owners. After this training, community procurement will be repeated in subsequent courses		
5. Conduct retraining in community procurement procs.	Training consultant	June, 2015
6. Prepare materials and organize training of CFs and CDB members in commune-level planning	CPO Training team	April 30, 2015
7. Conduct training in commune level planning	Training consultant	June 30, 2015

16. MIS. The task team met with the consultants supporting the development and roll-out of the project’s management information system (MIS), which is based in part on the prototype CDD MIS, “CommunityCollect”, developed by the Bank.<sup>3</sup> The consultants reported that overall they have completed approximately 50-60 percent of the contract, including (i) preparing the hardware infrastructure for the MIS, including server and back-up arrangements, basic configuration of CF tablets and GRS system; (ii) developing software, including computerization of PIM forms, tablet management functions and support, and (iii) establishing web-based interface for system. Key tasks remaining to be finalized include developing reporting formats, preparation of training materials, and initial training of CFs, M&E officers and other relevant GNTN staff. Annex 7 includes more specific details of this progress. The consultant provided the mission with a matrix of all monitoring forms to be managed under the MIS, indicating the specific information to be captured through which form and the responsibility for each. The mission agreed to review and discuss with CPO and provide feedback to the consultants to ensure that the forms matched the information needs of the project and the Bank.

<b>Agreed Actions – MIS</b>	<b>Responsibility</b>	<b>By When</b>
1. Review MIS forms to ensure that data collection matches project monitoring needs	Task team and CPO	Jan 31, 2015

### Update of Progress on PPTAF

17. Overall progress. The mission was informed that MPI had approved the request to extend the PPTAF sub-project to the end of September 2015, to allow for the completion of implementation of on-going activities. To date, the PPTAF sub-project has facilitated project start-up reasonably effectively, though implementation of several planned activities has been somewhat delayed. Nonetheless, at the time of the mission, 52 of 53 procurement packages (primarily for consultant services) under the sub-project have been awarded and are either completed or in progress. The CPO indicates that the final package—a review of EM social issues—will be awarded in early February 2015. Fourteen packages have been completed with final outputs delivered, and the CPO estimates that the vast majority of the remaining packages range between 40 to 95 percent complete. The mission was informed that the last package will be completed by the end of June 2015, allowing three months for final delivery of outputs, disbursements, and closing of the sub-project. Despite the improved pace of implementation, the disbursements remain low at 40 percent. The mission noted two large contracts—for the baseline survey and baseline data analysis—are progressing well and therefore should account for a large proportion of outstanding disbursements under the PPTAF within the coming 3-4 months.

18. Baseline survey.<sup>4</sup> The World Bank GNTN and GNTN-impact evaluation (IE) team met with the CPO and the survey consultant, Center of Development and Integration (CDI), in Hanoi on January 22<sup>nd</sup> to discuss progress in implementing the baseline survey for the GNTN IE. The baseline survey covers a

<sup>3</sup> The Bank staff supporting the testing of “CommunityCollect” globally, Kyung Min In, also participated in the discussions and demonstration of the system with the MIS consultant via “skype”.

<sup>4</sup> A separate more detailed mission report will be prepared by the GNTN-Impact Evaluation team on the baseline survey and the proposed project design variations to be tested under GNTN.

symmetric sample of 260 treatment and control communes (and approximately 3 villages in each commune) across 48 districts (including the 26 districts in which GNTN target communes are located) in the six GNTN target provinces. Control communes, which are located both in districts with GNTN communes and those without, were selected using a propensity score matching procedure populated with data from the 2011 agricultural and fisheries census. The matching procedure achieved high levels of statistical balance between control and treatment communes in poverty incidence and ethnic minority populations, although imbalances are present in variables which proxy for or might be correlated with other GNTN-IE outcome indicators. Further analysis of the similarities and differences between the two will therefore be required to ensure that the baseline control group serves as a robust counter-factual. Implementation of the baseline survey commenced on January 18<sup>th</sup>, and is expected to conclude by February 12<sup>th</sup>, prior to the start of Tet. Training, pilot-testing, and a rigorous enumerator selection procedure (based on daily tests) preceded the start of the survey, with a total of 74 enumerators selected. Approximately 10 enumerators have knowledge of ethnic minority languages, with survey teams also utilizing local translators and commune officials to translate the survey instrument into local languages. Data for the baseline survey is being administered on tablets using the “SurveyCTO” platform, with data sent daily to a central server managed by CDI. The survey consultant has instituted impressive off-site quality assurance, including a procedure to record and upload survey interviews and to randomly review such recordings to ensure that the enumerators are correctly administering specific modules. CDI reported some initial difficulties in securing interviews with the pre-selected households and gendered respondent, leading to the need to use replacement households. The Bank team recommended therefore that CDI should keep track of the effects these changes have on the proportion of EMs surveyed. Currently, the individual household surveys last an average of 2.5 – 3 hours, which is considered significant. Given this, the Bank team recommended to the consultant that enumerators allow for a 10-15 minute break during the survey to help reduce fatigue and maintain the quality of the responses. In addition to household surveys, much shorter (10 minute) surveys are being administered to commune and village heads. The Bank team requested and CPO agreed to share copies of the final questionnaire in English, and the detailed deliverables when available.

<b>Agreed Actions – Baseline Survey</b>	<b>Responsibility</b>	<b>By When</b>
1. Share analysis undertaken of alternative approaches in selection of control group	Consultant	Feb 15, 2015
2. Share the analysis (in English) of how questions will inform GNTN results framework indicators	Consultant	Feb 15, 2015

## **Other Matters**

19. Development partners. The mission met with two development partners actively engaged with Ethnic Minority poverty issues and livelihoods support in the Central Highlands—Irish Aid and the International Fund for Agricultural Development (IFAD)—to update them on the status of the GNTN, learn of any relevant lessons that may be useful for the project, and to discuss potential areas of collaboration. IFAD’s projects in Gia Lai (TNSP) and Dak Nong (3EM) provinces, which apply similar approaches to EM livelihoods support, have developed relevant materials and provide some important lessons that should be applied to GNTN. The mission strongly encourages MPI and the PPMUs to draw upon the materials and guidelines developed, and the capacities built in these two provinces to support the roll-out of GNTN. Irish Aid support for the Sustainable Poverty Reduction Policies and Programme (PRPP), executed by UNDP with MOLISA and CEMA, and operating in eight provinces including Quang Ngai and Kon Tum, offers an opportunity to share poverty data and experiences in program implementation, and to seek to streamline the participatory socio-economic development planning processes being promoted under both PRPP and GNTN.

**C. AGREED ACTIONS**

20. The findings and recommendations noted above were discussed with MPI, CPO and PPMUs during the course of the mission, and at a formal wrap-up with MPI on January 23, 2015. At that time, the following time-bound actions were agreed upon.

<b>Agreed Actions</b>	<b>Responsibility</b>	<b>By When</b>
<b>2015 Implementation and Procurement Plans</b>		
1. Finalize detailed designs of 2015 civil works packages and share with PPMUs and DPMUs	Consultants	Feb 10, 2015
2. Update PPTAF procurement plan	CPO Proc. Off	Feb 10, 2015
3. Identify at least 5 eligible contractors in districts that would be interested in responding to the works pkges	DPMUs & CDBs	Feb 15, 2015
4. Finalize recruitment of individual PPMU/DPMU consultants	PPMU/DPMU directors	Feb 15, 2015
5. Finalize CF motorcycle bid package for review and advertising	CPO; Procurement officer	Mar 15, 2015
6. Finalize TORs and identify potential candidates for TA positions (livelihoods, engineer, capacity building, communications)	CPO; Dep. Director	Mar 31, 2015
7. Update 2015 implementation and procurement plans and re-submit to CPO and WB for review and clearance	PPMUs, DPMUs	Mar 1, 2015
<b>FM</b>		
8. Hire additional FM staff and appoint CPO FM Coordinator	GNTN Director Proj.	Mar 15, 2015
9. Install project accounting software in all relevant computers and actualize financial transactions in CPO and all PPMUs	CPO FM Coord.	Jan 31, 2015; Feb 15, 2015
10. Correct internal control weaknesses (asset registry, asset control, reconciliations, petty cash box)	GNTN Director Proj.	Feb 15, 2015
11. Review and take action on internal auditor report	CPO FM Coord, Procurement Officer, Dep. Direc. & Director	Immediately and each quarter subsequently
<b>Involuntary Resettlement/Land Compensation</b>		
12. Carry out training of PPMU and DPMU staff on resettle-ment/compensation and other s/guard concerns	CPO w/ WB s/guard staff	Mar 15, 2015
13. Review specific sub-project sites and prepare resettle-ment plans if compensation is required (per RPF)	PPMUs/DPMUs	Mar 31, 2015
14. Review and provide no objection to resettlement plans	WB	Apr 15, 2015
<b>Food/Nutrition/Water and Sanitation Sub-components</b>		
15. Initiate food and nutrition training of livelihood staff and CFs	WB nutrition consults.	Mar 31, 2015
16. Adjust training and deliver to livelihood staff and	WB nutri'n consults,	Mar 31, 2015

CFs	CPO training team	
17. Implement TOT for provincial & district health teams, integrating into nutrition training course for project staffs	WB nutrition consults.	Mar 31, 2015
18. Release the communication materials of nutrition used. Release with the package of printing materials of 2015 (expected conduct at quarter II-III)	CPO Consultant	coms. June, 2015
19. Review nutrition training materials for appropriate WASH messaging	WB WASH team	Feb 15, 2015
20. Prepare implementation plan for pilot scheme to share with GNTN task team and CPO for final agreement	WB WASH team	Apr 30, 2015
<b>Communications &amp; Training (including for 2016 Implementation Planning)</b>		
21. Review and provide feedback on audio and video scripts	WB	Jan 31, 2015
22. Share first draft audio and video productions with WB to confirm key information and provide feedback	CPO	Mar 15, 2015
23. Share with World Bank evaluation reports of recent training activities	CPO	Feb 10, 2015
24. Prepare materials and organize training of CFs and CDB members in community procurement procedures	CPO Training team	Mar 31, 2015
25. Conduct training in community procurement procs.	Training consultant	May 31, 2015
26. Prepare materials and organize training of CFs and CDB members in commune-level planning	CPO Training team	April 30, 2015
27. Conduct training in commune level planning	Training consultant	June 30, 2015
<b>MIS System</b>		
28. Review MIS forms to ensure that data collection matches project monitoring needs	Task team and CPO	Jan 31, 2015
<b>Baseline survey</b>		
29. Share analysis undertaken of alternative approaches in selection of control group	Consultant	Feb 15, 2015
30. Share the analysis (in English) of how questions will inform GNTN results framework indicators	Consultant	Feb 15, 2015

21. The World Bank team and MPI agreed to undertake a specific technical support mission focusing on livelihoods in April/May, and tentatively set June/July for the timing of the next full implementation support mission. The timing of the follow-up ISM would be confirmed with Bank management.

Annex 1: Detailed Comments Shared with CPO, PPMUs and DPMUs regarding 2015 implementation, procurement and FM plans

Comments on the implementation, procurement and financial plans: the mission provided its comments on the received plans for 2015 which are basically the project's first 18-month plans with certain modifications in timing, costing and updated information on safeguard screening exercises. The comments were meant to be applicable to all 6 PPMU's plans though examples were cited by individual ones. CPO has not submitted its 2015 plan for WB's review yet, hence, it is one of the urgent tasks for CPO is to finalize its 2015 and furnish that to the Bank team for duly reviewing to avoid any delay in implementation into the year of 2015.

***Implementation plans.*** Since most activities were transferred from the project's first 18-months plans, the proposed activities have been reviewed and endorsed technically at negotiations stage. However, there are some key issues identified from the submitted plans as following:

- Most of the proposed activities/sub-projects lack important information for scopes or partial information was presented. Though the new forms required in the PIM were used in presenting the plans, many required fields in the plan forms have not been filled with required information.
- Many livelihood sub-projects were proposed in large quantity in one commune (for instance 14 LEGs for hybrid rice production in one commune; or 40 cows, worth VND1.4 billion for one sub-project in one commune as presented in Dak Nong PPMU plan) are technically unreasonable. Since, livelihoods activities are new and would take time for the project to implement them effectively, livelihoods sub-projects for 2015 should aim to try out the procedures and arrangements through small quantity with top priority is getting the right and working process in place. PPMUs should refrain from over-planning for livelihoods sub-projects in 2015 or seeing them as free subsidies.
- The ceilings of sub-projects of VND300 million or VND1 billion per projects set during the preparation period should not be the norm for the implementation phase and depending on the detailed design exercises, more relevant cost estimates should be applied in the 2015 plan. The same cost estimates for all sub-projects are highly unrealistic and showing poor planning efforts. The mission also discusses with all PPMUs and agreed that proposed sub-projects should prioritize complete investments to enable the sub-projects to be usable and effective after completion. Shredding certain roads or irrigations, for instances, into small portions to fit the arbitrary norms of VND300 million or VND1 billion is advised against.

***Procurement Plans***

- Given the current situation of project status with staffing gaps and training on PIM have yet to be rolled out project wise, it is unrealistic for the DMPUs and CDBs to start the bidding process in February or March 2015. Therefore, PPMUs are advised to adjust the projected timeline to make their plans more implementable.
- For all sub-projects under components 1 and 2 that are to be procured through Community Participation Procurement method (CP), they could only be procured after the CDBs and CFs are trained on the CP which is recommended to be front loaded as CFs and CDBs have been in place.

Further delay of training/capacity for the CFs and CDBs will risk further delay in implementing these sub-projects.

- Given the nature of the livelihood sub-projects which involve wide range of activities and services through small scale interventions with the LEGs, it was agreed that the livelihoods sub-projects under Component 2 were not required to be included in the procurement plan. So are the activities of capacity building. As such, the implementation plan is the most comprehensive documents with all activities and sub-projects under all components proposed for the year. The procurement plan should include sub-projects under Component 1, sub-component 3.1 and 3.2 and 3.3 and relevant activities under Component 4.

**Financial Management(FM).** The FM plans are currently containing more or less the same information as the implementation and procurement plans. To avoid the repetition, it was agreed that the FM plans should present the consolidated and condensed information for FM by category and component. Specifically:

- For Quang Ngai FM Plan, the incremental cost of CF is estimated of more than 200% of salaries which is extremely high and not reasonable compared to the normal level of 40% as estimated in other 5 provinces. These incremental costs are mainly for travel allowance and accommodation.
- For Dak Nong FM Plan: it proposed for VND 82,796 million for ODA. However, the quarterly plan showed only the sum of VND 47,993 million. While the reason is the wrong application of formula of the excel sheet, it is suggested Dak Nong to revise the plan to correct the figure and be more careful in the next plans.
- For Quang Nam FM Plan: it proposed for the VND of 53,656 mil of ODA funds. However the sum of the four quarter forecasts is only VND 53,579 mil.

Annex 2: Procurement Issues for the GNTN 3<sup>rd</sup> ISM Aide Memoire

In general, procurement performance of the project implementing agencies (PIAs) including CPO and PPMUs/DPMUs is moderately satisfactory. The PIAs have made progress in implementing a number of procurement of packages in 2014. In particular, the PIAs (i) are finalizing the sample design and detail design the civil works packages to be implemented in 2015; (ii) completed procurement process of packages to procure equipment and furniture for project offices at central and project provinces; (iii) completed hiring CFs for 130 communes; and (iv) are implementing selection process to hire all individual consultants for CPO, PPMUs and DPMUs.

Nevertheless, the implementation is significantly behind the agreed schedule that negatively affects the general implementation progress of the project:

1. The mission noted that none of individual consultant contracts has been signed by the PPMUs or DPMUs and because of that the PPMUs and DPMUs do not have adequate needed human resource for implementing the project. The PIAs raised that they do not receive sufficient applications for many positions; and, they are not able to find 03 candidates who can meet all qualification requirements set forth in the ToR for several positions, especially at district level. As a solution for such problems, the PIAs proposed to lower a number of qualification requirements set forth in the ToRs for individual consultants to be hired for DPMUs including the requirements of having 3 years experiences with ODA projects because such criterion may not be very necessary and it is very difficult to find candidates satisfying such criterion at the district level.
2. The procurement process of all civil works packages has not been started because the detailed designs of these works have not been completed.
3. CPO has not started (i) the procurement process of the package to procure motorcycles for CFs that also may affect the works to be done by CFs as raised by PPMUs/DDPMUs; (ii) the selection process of the main TA package for the project that also negatively affects the implementation of the project; and (iii) the selection process of annual financial audit package that may cause the annual financial audit report not to be completed in time.

Regarding the PPTAF sub-project, most of the contracts has been signed. Implementation of many packages has been completed and others are in implementation stage at present. The only package that the CPO has not signed the contract is package CS-15 and the CPO has informed the mission that they will sign such contract in February 2015.

Given that the implementation progress of the project is far behind the planned schedule, all PIAs therefore should spend extra efforts to speed up the implementation progress in order to bring the project implementation back on track. In the mission, following key actions have been agreed by the PIAs:

- The CPO will accelerate the implementation of the following packages: (i) the packages to prepare sample designs and detailed designs of civil works packages to be implemented in 2015 so that the products of these packages can be handed over to the provinces before February 10, 2015; (ii) the package to procure motorcycles for CFs to ensure the motorcycles delivered as soon as possible but not later than April 30, 2015; (iii) the packages to recruit TA consultant and financial audit consultant as soon as possible but not later than May 30, 2015;
- CPO will update the procurement plan for PPTAF and submit to the Bank for review before February 10, 2015;

- All PIAs will promptly update the procurement plans (PPs) to be implemented in 2015 taking into account the comments provided by the Bank team in the workshop in January 16, 2015 in Quang Ngai and submit to the Bank for review before Mar 1, 2015. The updated PPs should reflect changes in costs estimate, procurement method, and procurement schedule.
- All PPMUs and DPMUs will complete the individual consultant selection process and sign the contracts before February 15, 2015. The mission agreed that at the district level the DPMUs may consider the requirement of “3 years experience with ODA projects” as an optional criterion for hiring individual consultants at this level.
- All DPMUs will immediately start the procurement process of the civil packages under their responsibility after receiving the sample and detailed designs from the CPO with the target that execution of these works will be completed before the rainy season in July 2015.

Annex 3: Financial Management Input to GNTN 3<sup>rd</sup> ISM Aide Memoire

During the last 8 months, preparation of FM has been arranged, which are (a) appointment of key financial management (FM) position, (b) development of accounting software and (c) training on FM. However the mission noted that the FM function of the project has not been operating properly. The mission has following observations which require immediate actions from the project management.

**a. Staffing: Lack of senior commitment and engagement on FM.**

The mission noted that (a) the FM works seemed to be delegated fully to the Consultants without close management, supervision and monitoring from the Chief Accountants (for example, the Chief Accountant did not review the Financial Reports or did not coordinate the team of consultants to ensure that the FM works are properly carried out), (b) the physical time that the Chief Accountant spends at the project is very limited (less than half a day per week).

The absence of a full time “*manager*” of FM is a warning issue as it resulted in all FM issues discussed below (in (b), (c), (d)).

The mission strongly recommend that (a) the Chief Accountant should have stronger commitment and fuller engagement with the project at all project levels (e.g. spends at least 50% working time for the project), (b) A full time Financial Management Coordinator shall be appointed (who can be selected from existing financial/ accounting consultants).

**b. Accounting: Transactions have not been accounted for and accounting software has not been used in all provinces.**

At CPO, transactions (funded by PPTAF) from October 2014 have not been entered into the system. At provinces, all transactions (funded by counterpart) have not been entered. Accounting software has not been installed in the *working* computers at certain provinces (e.g. Quang Nam), districts and communes. This problem, however has not been monitored (and addressed promptly) due to the lack of monitoring as discussed in (a).

The mission recommend that (a) accounting software shall be installed in all working computers of accountants by 31 January 2015 (b) all transactions shall be entered by 15 February 2015.

**c. Internal controls: Weaknesses of internal controls have been noted.**

Certain weaknesses of internal controls have been noted: (a) bank balance has not been reconciled at the end of the month, (b) assets registration (at CPO) was not available, (c) petty cash (of CPO) was not held at the project’s premise, (d) quality of some assets procured (one newly procured computer in Son Ha district (funded by counterpart) has been broken down after very short time, another computer in Son Cao commune (funded by counterpart) was delivered without CD Drive).

The mission recommend the project to enhance the internal controls by ensuring that all FM controls and procedures (regulated in the FM Manual) to be complied with. The Project Director and Chief Accountant shall be responsible for implementation of actions to fix those issues by (a) bank balance shall be reconciled at the end of every month starting from January 2015, (b) assets registration shall be available by 31 January 2015, (c) petty cash shall be kept in a locked safe at the project’s premise and (d) quality of procured assets shall be reviewed to ensure that only good quality assets are accepted.

**d. Internal Audit: lack of monitoring of contract of internal audit**

An individual internal auditor was hired to perform internal audit for the project. According to the Terms of Reference, he should among the other requirements (a) perform the audit to ensure that the internal controls of the project are effective and (b) prepare the quarterly Internal Audit Report to the Project Management within 10 days of the end of the quarter.

We noted that (a) the internal auditor did not prepare any report in the last two quarters (which raised the question of whether he actually performed his service), (b) in his audit report, neither issues of financial management were identified nor recommendations were provided and (c) the project management did not review his reports, his performance thus fail to make the good use of internal audit as a tool to improve the project FM and internal controls.

The mission recommends that the management to closely monitor the internal audit contract to ensure that the internal auditor performs what he is required to do.

**e. Management of Designated Account: next Withdrawing Application (WA)**

The mission recommends that in the next WA, all PPMUs shall consider to withdraw sufficient amount for operations of the project in the first two quarters of 2015.

**f. External Audit**

Given that (a) the project has just become effective on 22 July 2014, (b) all amounts withdrawn from the Bank were still deposited at Designated Accounts at the year end, the mission agreed that the first audit period (from signing date to 31 December 2014) can be combined with the fiscal year 2015 audit. The first audit period therefore will be from signing date to 31 December 2015. In addition, the Terms of Reference for External Audit shall be sent to the Bank by 31 March 2015. The first audit package shall cover three audit periods: (1) from signing date to 31 December 2015, (2) fiscal year 2016 and (3) fiscal year 2017.

Annex 4: Social and Environmental Safeguard Observations and Recommendations

**Social Safeguards**

**Land acquisition screening.** All project provinces have submitted the 2015 work plan which was converted from the first-18-month project work plan. In general, except some subprojects in Dak Lak and Gia Lai, the majority of proposed small infrastructures require no land acquisition. The mission re-emphasized that project provinces need to take into account various aspects of land acquisition and compensation. First, land acquisition needs for any specific investment would be confirmed only when its detailed design is available. Second, the impact on land may relate not only to the infrastructure itself, but also to its ancillary works (e.g. disposal site, worker camp....). And third, in some investment, although the no-impact on land is evident, there might be some compensation issue related to the tree, crop affected by the construction of the proposed infrastructure. To ensure the compliance with the project's policy framework and the Bank's policy, all PPMUs are requested to (i) verify and confirm the land acquisition needs of all proposed infrastructures when its detailed design is available; (ii) prepare the annual resettlement plan (for subprojects in 2015 plan needing land acquisition) as guided in the project's RPF; (iii) link the land acquisition and compensation activities – if any – to the pace of the procurement and construction phases. It is recommended that CPO further follow-up with PPMUs on the above mentioned issues to ensure that they will be reflected in upcoming progress reports.

**Voluntary land donation.** While the mission notices the public disclosure of project's RPF in the office of CPC, the mission learned that the project's message on land acquisition/voluntary land donation was inappropriately communicated with local people. As stipulated in the project's RPF, voluntary land donation practices are not encouraged in this project and would only be allowed in very specific circumstances and conditions (more details in the RPF). Affected people must be fully informed of project policies and have full power of choice in choosing to donate land. Donation procedures must follow the project's policy as well as the relevant governmental regulations, and be documented. The voluntary land donation practices are subject to close monitoring by CPO, MPI, and the WB. It is recommended that before approving sub-projects that include donated land, PPMUs should contact CPO, and if necessary the Bank, for further guidance and clarification.

**Communication/Consultation.** In the visited provinces, the mission took note of some constraints identified in organizing and carrying out communication meetings with local populations in communes. Commune staff indicated that such events are more effective when organized and integrated with special day at the locality (e.g. solidarity day) or if small incentives (financial or in kind) could be provided for their participation. CFs and CDB members noted that a majority of participants are women, and that Vietnamese is widely used in the communication/consultation events. The mission recommended that interpretation into local languages always be made available for such village meetings. This approach will allow local people fully understand the project activities and meaningfully participate in all project processes. The mission also reminded the district and provincial authorities that while in early stages of project implementation, implementing agencies must pay sufficient attention to establish and maintain M&E system to track the project activities as well as beneficiaries, and that beneficiary data must be disaggregated by gender and ethnicity.

***Environmental Safeguards***

The IDA mission discussed environmental safeguard issues with CPO, PPMUs and DPMUs and conducted site visits to Quang Nam and Quang Ngai provinces. Key findings and recommendations are presented below.

*Staffing and training:* At central level CPO will soon recruit a consultant to support CPO in monitoring and evaluation of PPMU's compliance with World Bank policy requirements. At provincial level, PPMU and DPMU will also assign a staff responsible for monitoring environmental safeguard compliance of subprojects. Training on social and environmental safeguards and resettlement policy framework will take place in consulting services package of the social, ethnic and resettlement issues. PPMU and DPMU are responsible for monitoring and supervising contractor's compliance with agreed mitigation measures and providing training to contractor if needed.

*Proposed subprojects in the year 2015:* The IDA mission reviewed the eligibility of the proposed subprojects submitted by PPMUs to the Bank except for Dak Lak PPMU, including infrastructure and livelihood subprojects and found that all of the proposed subprojects are eligible – it means that no proposed subproject falls into the negative list as Annex 4 of the ESMF. There was no proposed forestation subproject at community level in the year 2015. Given small scale and simplicity of proposed subprojects, PPMU and DPMU are required to include ECOP as Annex 2 of the ESMF in the bidding document and contract. Regarding subprojects of crops development, DPMU is required to provide training in sustainable use of chemical pesticides and fertilizers as part of IPM to farmers. The IDA mission noted that if there is some adjustment to the list of proposed subprojects reviewed by the Bank, PPMU should submit adjustment to the Bank for review. In case of forestation subprojects, the PPMU's were reminded that community forest management plans as indicated in Annex 8 of the ESMF were required and should be submitted to the Bank for review. Also, PPMU and DPMU should use the EA checklist as Annex 5 of the ESMF to identify potential negative environmental and social impacts of a proposed subproject.

Annex 5: Nutrition, Food Security and WASH Issues for GNTN (3<sup>rd</sup> ISM)

**Nutrition aspects**

**Nutrition training for Community Facilitators**

Since nutrition intervention is completely new to the project, it is planned that most of the project staff, especially CFs should receive proper nutrition-related training in order to support their community to develop investment plan on nutrition under Component 2. The plan is to organize the first nutrition training for CFs at provincial level (20 people) in Hanoi for 1.5 days on Jan 29 and 30, 2015. Similar training for all CFs at commune level (130 CFs) is planned to be organized in March 2015 in project provinces.

The training content includes (i) the importance of nutrition and reasons why we need nutrition intervention in the project; (ii) introduction on nutrition intervention models to be implemented; (iii) detailed instruction on how to develop the community proposal on nutrition intervention; and (iv) practice exercise on how to develop nutrition intervention proposal. The trainers are nutrition consultants hired by the WB.

This is the first training on nutrition for the CFs. This should be repeated at annual basis to strengthen and update their knowledge on nutrition. The training can be organized together with continuous project training on livelihood support.

**Technical training for nutrition supported staff**

Training for project staffs on Nutrition will be conducted and staff of the reproductive health care center, preventive health center in the province, and the district medical officials will be invited. Through training, the medical and nutrition staff will be presented on the mechanism of GNTN nutrition interventions and will have connectivity, and support with CFs during training. It is only necessary to update their knowledge and provide them with the project operation issues. Other two provinces (Gia Lai and Kontum) will need to take full training (5 days) on nutrition intervention. This TOT training course will expectedly take place at quarter II/2015, by the Bank's nutrition consultants.

Further training for health staff and community nutrition coordinators at village level by the above resource trainees. The commune level staff will provide technical support and nutrition consultation directly to the community. This training plan should be added in the Work Plan. The nutrition consultant will provide detailed training plan by February 15, 2015.

**Progress update on the implementation of nutrition intervention**

Nutrition intervention will be implemented through the LEG on Food Security and Nutrition. There is no clear nutrition related activity in the current Work Plan and Procurement Plan for 2015. It is expected that after receiving nutrition training, the CFs will be able to support the community to develop investment proposal on nutrition or further develop sub-project under the current livelihood investment proposal.

In the current 2015 Work Plan, there are requests on livelihood support, including raising livestock and home gardening which can be good foundations for nutrition intervention. The Bank Task Team and the CPO should work closely with the PPMUs and support them to encourage the community to propose investment request on nutrition.

**Communication on nutrition**

The project can use available nutrition communication materials developed by the Alive & Thrives project, which was implemented in the region recently. All IEC materials were transferred to the National Institute of Nutrition (NIN). The project can select appropriate materials and print them with prior notice to the NIN and A&T project. Since the project has a technical team working on IEC, they can modify or adjust the available IEC material to make them best suited to the project area, in terms of communication means and presentation. Any change in technical content should be carefully discuss with the Bank and technical consultants. The nutrition consultant will provide detailed list of communication materials and distribution strategy to the CPMU by mid- February, 2015.

### **Pilot on Nutrition and Water, Sanitation and Hygiene (WASH) Integration**

In the region, sanitation is also a serious problem. Open defecation is the highest in the whole country. The rate of hand washing at key times is very low. There is already strong evidence on the correlation between poor sanitation and stunting in children. In the last interim mission in October 2014, the Bank's Water and Sanitation Program (WSP) Team, led by Sitaramachandra Machiraju, Sr, Water and Sanitation Specialist, has discussed with the CPO the possibility of integration of WASH intervention into the project. It was agreed that the project will pilot nutrition and WASH intervention in one or two districts. There will be WATSAN selected and appropriate measures (hygiene practice during food preparation for children, disposal of child feces, hand washing at key times...) to be included in the project intervention. Nutrition training interventions would serve as an entry point for WASH information and interventions.

A two-pronged Mobilization Strategy would be applied:

- i. LEG Food and Nutrition Groups: This initiative will leverage the Infant and Young Child Feeding (IYCF) to embed hygiene education and hygiene promotion activities into GNTN training and sensitization activities.
- ii. Commune Development Planning: Additional information and materials will be provided to communes through CDBs and CFs that would be used to inform village and commune-level investment prioritization and planning, following CDD principles, for potential household, village or commune WASH infrastructure investments.

Interim Strategy: While the project will develop a detailed implementation plan for WASH integration, without losing time for developing capacity building toolkits, training manuals and undertake large scale training programs, actions in the following areas will be promoted:

- i. Nutrition LEG groups: embed hygiene education covering various aspects of WASH including water quality/adequacy, food hygiene, personal hygiene and community hygiene in the agenda of nutrition groups formed by mobilizing women and children; hygiene promotion activities will focus on hand washing with soap at critical times, and BCC for sanitation hygiene.
- ii. Commune development planning: The WASH activities will follow the same community investment cycle as for other infrastructure, public good and service provision sub-projects. Over the next three months, the project will pilot using the IEC materials, CLTS based WASH mobilization methodologies and household level counseling by community experts/consultants will be leveraged.

Pilot Strategy: The WSP has agreed to work with the GNTN project personnel, and Bank health task team member to develop a implementation plan for WASH integration pilot by June 2015, that would

identify needed technical support from WSP, other inputs needed and financing arrangements, priority activities and time-frame.

**Annex 6: GNTN Training and Communication Plan**

**6.1. Training Plan**

No.	Components / activities	Implementing time	Training objects	Note
	<i>Capacity building for staffs of CPO, PMU, DPMU</i>			
	Training on Project Management [ Planning, Monitoring &evaluation; Safeguard Policy]	Quarter II-III/2015	Staffs of CPO, PPMU, DPMU	
	Training on Project Financial Management	Quarter II-III/2015	Personnel related to financial management	
	Training on Procurement procedures of the World Bank and community procurement	Quarter II-III/2015	CPO staff and PPMU/DPMU staff	
	Re-training activity for the financial management for non-professional staffs	Quarter III-IV/2015	Non-professional staffs of CPO,PMU, DPMU	
	Training on Operation and maintenance (management skills, planning, staffing, implementation, evaluation of the operation and maintenance of infrastructure)	Quarter III/2015	staffs of CPO, PPMU, DPMU	
	Training on Monitoring and evaluation	Quarter III/2015	M&E staffs of CPO, PMU and DPMU	
	Training on Livelihood	Quarter II/2015	staffs of CPO, PMU, DPMU and agricultural officers of provinces and districts	Invite 01 agricultural official/province, and 01 agricultural official/district
	TOT training on Nutrition		Staffs of CPO, PMU, DPMU, Med. Staffs of provinces and districts	According to the latest proposal of WB in the MOU of Mission 3

Central Highlands Poverty Reduction Project ~ 3<sup>rd</sup> Implementation Support Mission

	M&E - MIS access and teamwork skills	Quarter III/2015	Staffs of CPO, PMU, DPMU	Combining teambuilding and training for staff. Materials for MIS training will provided by RTA
	Training on Community Work skills	Quarter III/2015	CPO staff	Training in skills of working with the community for CPO staff
	<b>Capacity building for Commune development board (CDB) and CF</b>			
	Training on Project Management [Project overview, planning with the community participation/Monitoring and evaluation at the commune level; safeguard policy]	Quarter III/2015	Members of CDB and CF	
	Training on Commune investment owner, procurement procedures of WB and community procurement	Quarter II/2015	Members of CDB and CF	
	Training on Operation and maintenance (management skills, planning, staffing, implementation, evaluation of the operation and maintenance of infrastructure)	Quarter III/2015		
	Training on Livelihood	Quarter II/2015	Commune agricultural extensionists and CF	
	Training on Monitoring and evaluation	Quarter III/2015	Members of CDB and CF	
	Training on Establishment and operation of LEGs	Quarter II/2015	Members of CDB and CF	
	Training on Community Monitoring	Quarter III/2015	Commune Supervisory Board	
	Training on Finance / Accounting activities at the commune level	Quarter III/2015	Financial Officials, accounting of commune development board	
	Training on Planning with community participation and Communications	Quarter II/2015	Members of CDB and CF	

<b>b</b>	<b>Activities of transit of Plan 2014</b>			
	Technical Assistance Adviser (TA)			
	Livelihood consultant (International)			
	Independent auditing services			
	<b>Bidding package using PPTAF fund</b>			
	Organizing a visit of model learning, and experience sharing with provinces of Northern mountains poverty reduction project - II for CFs	April/2015	130 CF	
	Visit the successful domestic livelihood model	April/2015	CPO, province and district staff	
	Training on Livelihood	March/2015	Staffs of CPO, PMU, DPMU, CDB	
	Training on skills of working with community for CF	March-April/2015	Staffs of CPO, PMU, DPMU, CDB	
	Training on participatory planning and Communications	March-April/2015	Staffs of CPO, PMU, DPMU, CDB	on going.
	Training on participatory planning at commune level	March-April/2015	Staffs of CDB and CF	on going.
	Training on O&M	March/2015	Staffs of CPO, PMU, DPMU, CDB	on going.
	Procurement & Finance management	Dec/2014 - Jan/2015	Staffs of CPO, PMU, DPMU, CDB	on going.

	Training on M&E.	Mar-April/2015	Staffs of CPO, PMU, DPMU, CDB	on going.
	Sudy for social issues, ethnic minority and resettlement	Mar/2015	Staff of CPO, PMU, DPMU	On going.
	Training on Project management	Dec/2014 - Jan/2015	staffs of CPO, PMU, DPMU, CDB	

## 6.2. Communication and M&E Plan

No.	Components / Activities	Implementing time	Objects	Note
	<b>Broadcast programs about the project on the national television channels - Stage 1</b>		-	including reports, project news, the project introducing program on VTV
	<i>Series of brief program about the project (VTV1 or VTV2 and VTV5)</i>			brief program particularly design for the project on national TV to reach beneficiaries from the commue via their favorite channels.
	<i>Reportage / Reporting / participating in appropriate television programs</i>			Reporting on News program, participate as subjects of VTV: The friends of Farmer, daily life, financial news, ... in the appropriate time frame for the people in the project area
	Burn the project introducing program into CD and provide to CF, commune, and district staff	Quarter II-III/2015		Including CFx 10. PPMU, DPMU x 10. CDB x 10. Beneficiaries & other units
	Produce audiobook	Quarter II-III/2015		transform into audio of the project content under the theme: food, nutrition, plant care, livestock ....
	Post news and articles about the project in the central press	Quarter II-III/2015		Post news and special subjects about project in the national press: Tuoi Tre newspaper / Labour / Family - Social, Dan Tri (E-newspaper), VNExpress
	Establish and distribute printed materials - 2nd time	Quarter III/2015		Printing calendars, postcards, notebooks and some flyers.
	Flyers of livelihood & LEGs, and nutrition	Quarter II-III/2015		help CF easily presenting to the group as establishing LEGs

	media painting Toolkit	Quarter II-III/2015		for CF to use as presenting to the beneficiaries
	Equip the media items for CF and / or communication collaborators	Quarter II/2015		Create recognition of the project to people and encourage CF and collaborators' working enthusiasm. Includes: helmet, raincoat, backpack / waterproof bag, notebook, pen, calculator Casio, badges, shirts, jackets ..
	Study and evaluate the effectiveness of communication - phase 1	Quarter IV/2015		assess the effectiveness of communication activities implemented by central and local level in stages 1 for later improvement
	<b>Bidding packages being implemented by using PPTAF fund</b>			
	Release document in audio form	Mar-Apr/2015		on going
	Release document in visual form (TVC production of the project)	Mar-Apr/2015		
	Release printed materials (basic) - 1st time	Mar-15		on going

**Annex 7: Summary Progress on GNTN Management Information System (MIS)**

**Preparing hardware infrastructure for MIS**

+ **Server:** The contractor has finished the technical condition for running the MIS system. CPO has chosen the renting plan for Server(CPO will rent the Server of a domestic firm). The backup data solution: using two hard-disks at the same time, the Data of these two hard-disks will be synchronized so that system will be running continuously even when the main hard-disk damage. Beside, the Data of the MIS system will be back up automatically to a computer of CPO office (in case of the Server collapsed completely) - MIS consultant of CPO will implement this plan when the MIS system in stable operation.

+ **Tablet for CFs:** establish minimum configured to meet the data collection and run android apps.

+ **The system receives complaints from resident:** there are 4 receiving complaint channels from resident:

. Receiving complaint through Call Center and SMS Center: CPO leader has approved the plan for these two solutions. However, the process got stuck because of the costs incurred, the MIS consultant of CPO are studying another renting plan.

. Sending the complaint information through web-form and Tablet-form of MIS system.

. Email for receiving complaint from resident: **khieunai.gntn@mpi.gov.vn**

### **Progress of building Software**

Completed the design of all forms (tablet-forms, web-forms) and table Report system: 100%

Programming the forms on Tablet, web-forms: 60%.

Common management system functions: 90%.

The device management functions, tracking of coordinate device functions (CF): 80%.

The management forms functions: 90%.

Grievance SMS Management functions, Grievance voices Management functions: 30%.

User Management, group management, decentralized functions: 60%

Mini Application Management MIS – Android Tablet version: 60%

The management and export reports functions: 0%

**Assess overall progress in building software MIS: 50% workload.**

### **Planning to deploy next steps:**

#### **To End of March of 2015, must complete:**

+ Setup is complete the entire system for MIS Infrastructure: Complete procedure rent Servers, installation environment and MIS software on server, rent SMS Center & Call Center integrated into MIS.

+ Complete & Improving programming all forms: tablet-form, web-form.

+ Having fully functions of export table, charts and graphs Reports.

+ Monitoring CFs function via GPS navigation system shows the location on Google Map.

+ User Management, group management, decentralized functions.

+ Grievance SMS Management functions, Grievance voices Management functions.

#### **Finish:**

. Start Operating Systems MIS: April - 2015

. Equip Tablet for CFs: May - 2015